



The Foundation for Polish Science (FNP), established in 1991, is an independent self-sufficient non-profit-making organisation set up with the aim of supporting the science sector in Poland. Its start-up fund of 95mil zlotys was the remainder of the Central Fund for the Development of Science and Technology, liquidated in 1990.

The Foundation does not receive any subsidy from the central budget: its statutory activities being funded solely from income generated by investments in the financial markets in various instruments admitted for public trading, such as treasury bonds, stocks and shares. These earnings are allocated to cover the cost of FNP programmes, and to secure the value of the funds at the Foundation's disposal. Over 230mil zlotys generated in this way have been transferred to the science sector to date, the total current market value of FNP assets exceeding 350mil.

The statutory aims of the FNP include:

- aiding recognised scientists and scholars working individually or in teams, whose research is connected with areas of significance for the technological and cultural development of Poland, its economic growth, and international prestige;
- easing the transfer of innovative technologies developed by Polish scientists and researchers to industry and business; and
- supporting investment undertakings facilitating the development of science in Poland.

FNP grants are awarded on a competitive peer-review basis within the framework of the relevant annual action programmes.

Recently, the FNP has intensified its efforts aimed at supporting international co-operation, and increased its involvement in initiatives seeking to facilitate the exchange of ideas and achievements within the scientific community.

A Letter from the President of the Board

The year 2003, with which this Annual Report is concerned, brought the dispute with the fiscal authorities initiated in 1998 to a satisfactory settlement. This issue, which might have threatened our very existence if resolved unfavourably to FNP, has been reported in detail in previous reports. Eventually, following the verdict of the Supreme Court of 6th June 2002, the Tax Chamber in Warsaw was bound to revoke the decisions of the Tax Control Inspector on Corporate Income Tax allegedly due from FNP, and the relevant proceedings discontinued on 24th April 2003.

Throughout 2003, tax offices were returning to the Foundation the remaining monies incorrectly collected as tax between 1995 and 1998. Altogether, an amount of 146.9mil zlotys was returned in 2002 and 2003, 68.1mil (46 %) being the penalty interest. This was a fair compensation of the losses FNP suffered in the wake of the tax dispute: it allowed us to restore the financial basis of our operation, and to resume the active management of our assets again after this devastating break of several years in duration.

As pointed out in previous reports, from the year 2000 the Foundation had expected the transfer of proceeds from the privatisation of companies with the sole shareholding of the State Treasury, as provided in the Privatisation Law of 29th March 2000. Although pursuant to the new law adopted on 1st March 2002 these funds were allocated to another beneficiary, the Ministry of Science and IT Development, FNP still hoped to receive a substantial part of income generated from the sale of the companies whose privatisation was initiated between these two dates. As a result, 36.7mil zlotys of privatisation monies were received at the beginning of January 2003*. The Foundation's Board decided to appropriate the whole amount for Domestic Grants for Young Scholars. In fact, the option for the beneficiaries to apply for the grant under this scheme to be extended for a further twelve months was introduced in 2001, as soon as it became clear funds under the Privatisation Law could reasonably be expected. We hope to receive more money due to FNP from privatisation in the year 2004.

Regrettably, the year 2003 was not particularly favourable for the Foundation in terms of its financial operations, and the loss shown in the P&L Account is a clear proof of it. This was brought about mainly by an unexpected crisis in the State Treasury bonds market which happened in the autumn of 2003, coming as a shock for the whole financial sector in Poland. It seriously affected all institutions, FNP included, whose portfolio was made up predominantly of those particular type of securities generally regarded as the safest. In the case of the Foundation, the consequences were even worse because of the financial leverage used as a special investment strategy for these bonds. The losses sustained in 2003 were further aggravated by a severe drop in the price of Kredyt Bank S.A shares, also a significant component of the FNP portfolio.

However, as shown in the financial statements included in this Annual Report, the losses indicated are of a balance-sheet character, resulting from a decrease in the market value of assets valued in keeping with the provisions of the current Accounting Law. It should be stressed that no financial operations should be viewed solely by the criteria of short-term profit and/or loss: in active investment it is the choice of the appropriate investment strategy and consistency in its application that really matter, and that can ensure satisfactory long-term results. The primary objective of the activities undertaken by the Foundation in the financial market is to ensure a stable basis for the realisation of its mission and statutory aims.

Our Foundation is often perceived mainly as a structure for transferring money from the financial market to the science sector, and the public assess its significance by the amount of allocations and grants ('the more the better' being the usual criterion). However, this transfer function is regarded by FNP as a mere means to the fulfilment of its mission. The latter is most adequately summarised in the statement on supporting only the best so that they could become even better. As this mission is of primary relevance for the Foundation, it deserves a more elaborate description.

Foundations as we know them are mostly charity organisations assisting the poor, the disabled, the dis-

* Indicated in the financial statements for the year 2002.

advantaged and the helpless: this is at least how their role and function is usually seen. This mode of operation, however, would be totally unacceptable in the science sector: aiding the less able there will not help it to get any better. This is certainly not the aim we are going to pursue, as we are not a charitable organisation, useful as such establishments may be. We are different: as clearly indicated in our mission statement, we are unfair and elitist by principle. In our opinion, science should be either good or not exist at all. If so, we have to take good care of the best, or we are doomed to give way to the average and commonplace. We have to resist any pressure to lower professional and ethical standards. To succeed in this, support and unity of action must be provided to those who are the best. Those for whom scientific research is the purpose in life must not be left to themselves. They need to know that they are aided by their pupils, masters and supervisors. They need to be assured that they are not alone in their perception of science. They need to see that they can assume other roles than those of mere observers, and that they can change their working environment and the world around us.

Unfortunately, the majority of debates concerning science in this country are limited to research funding. Profound observations regarding the current condition of the science sector in Poland are regrettably scarce, ousted by complaints about various ratios or indicators, and usually pointless arguments over new projects aimed at the reorganisation of administrative structures. Little is said about science as such, and those who realise the need for its inner reconstruction effected by scientists themselves, and urge for it, are very much in the minority. Any discourse as one-sided and narrow as this one is pointless: financial means and efficient organisational structures alone, however important, are not sufficient to make science better. I have presented this opinion many times elsewhere, so I will not elaborate on it here, assuming readers are already familiar with my arguments.

At FNP, we have assumed a different perspective on Polish science: it is our intention to promote it and make others accept it. We do not believe in the causative power of appeals, however meritorious, and of laws, no matter how well written. We do appreciate their significance, but at the same time we seek to create facts through our work: efficient, competent and hard. We believe that Polish science has enough inner strength to overcome ubiquitous mediocrity.

Our main interest therefore lies in the quality of Polish science and its future, perceived in terms of its use value for society. Whereas the meaning of “quality” is relatively clear, to define the “future” of science may constitute a problem.

This is, in fact, where the essence of our mission lies; this is the controlling idea of our activities, which has been more and more prominent over the years, determining the shape of our various projects, programmes and schemes. Our primary aim and principal task is to support the new generation of scientists and research workers: all those young people now contributing to a better future for Polish science through contact with true masters and genuine, top-grade scholarship. They will soon become partners to the *creme de la creme* in their fields of study, able to make full use of the research opportunities offered in Europe and elsewhere in the world. In pursuing this goal, it is not enough to see to the professional perfection of the young: competence and skills, although a *sine qua non*, are not sufficient on their own. It is vital that young people be shown the values which are the most precious in science, and learn to protect them, bravely opposing anything mediocre and poor in quality. This cannot be achieved without the participation of the best representatives of the older generation. One of the important mechanisms in the science sector, which has proved valuable and efficient despite its imperfections, is the principle of the old assuming responsibility for the development of their followers.

Well aware of this, the Foundation seeks to reinforce this mechanism through its programmes aimed at the best of the old masters and the best representatives of the younger generation. This is how we understand supporting Polish science, and this is our main objective, even if it may not seem particularly innovative. The best thing we can do for Polish science is to support anything that will create for it a better future.

Maciej W. Grabski

17th October 2004

FNP PROGRAMMES IN 2003

In 2003, the FNP carried out a number of programmes, including permanent competitions for individual scientists as well as scholarship schemes, two of which were targeted at foreign beneficiaries. Other programmes implemented concerned various specific areas and concerned upgrading research facilities, the partial funding of publications, and facilitating technology transfer.

The allocations in this category totalled 24mil zlotys. Of this, 19.4mil zlotys were disbursed in 2003; the remainder to be used in the following year under agreements signed during 2003.

Annual Prizes and Scholarships

FNP ANNUAL PRIZES

These are granted to eminent Polish scientists for significant achievements and discoveries in the four main fields of study indicated below. In 2003, the amount awarded to each beneficiary was 60,000 zlotys (after tax). Regarded as the most prestigious of its kind in Poland, these prizes were granted for the twelfth time.

The winners of the 2003 FNP Prizes were:

- in the field of the humanities and social sciences, **Professor Jerzy Szacki**, professor emeritus at Warsaw University, for his fundamental work *Historia myśli socjologicznej* [A History of Sociological Thought] (2002), a comprehensive and innovative diachronic presentation of the various perspectives and perceptions of social phenomena;
- in the field of the life sciences and medicine, **Professor Roman Kaliszan** of the Gdańsk Medical Academy Faculty of Pharmacology, for applications of mathematical modelling and chromatography in defining the correlation between the chemical structure of drugs and their pharmacological properties;
- in the field of the exact sciences, **Dr Marek Pfützner** of the Warsaw University Institute of Experimental Physics, for experimental confirmation of a new type of radioactivity – the two-proton decay.

No prize was awarded in the field of the technical sciences.

SCHOLARSHIPS

Substantial grants under this scheme are awarded annually to fifteen eminent representatives of a designated field of study. They are aimed at intensifying ongoing research or undertaking new research projects. Short-listed potential beneficiaries are selected in a competition comprising several stages.

On the sixth occasion, in 2003 Scholarships were awarded to representatives of the exact sciences. Each grant, to a total of 240,000 zlotys, shall be disbursed over three years.

NESTOR PROGRAMME

This is a grant programme in which scholarships are awarded to retired scientists and research workers, who are still active in their field of study. The beneficiaries receive funds (5,000 zlotys per month) to finance visits of up to several months duration to research centres of their choice in Poland; aimed at conducting studies, seminars and lectures, providing consultation, and similar activities. The applications are submitted by prospective host institutions after the aims and duration of the visitor's stay have been mutually agreed. In 2003, grants under this scheme were awarded for the first time, to five retired professors for their visits in the following academic year.

Grants and Fellowships

DOMESTIC GRANTS FOR YOUNG SCHOLARS

Available for the eleventh time, these twelve-month grants are awarded to the most promising young research workers (up to 30 years of age; for mothers previously on maternity leaves the age limit is 32) whose achievements have been documented by publication. The number of beneficiaries each year is approximately 100. From the year 2001 onwards, all beneficiaries may apply for the grant to be extended for a further twelve months.

In 2003, 631 applications were received, and 108 grants of 20,000 zlotys (tax-free) awarded. 80 grants given in the previous year were extended.

DOMESTIC VISITING FELLOWSHIPS

Fellowships under this scheme are available to Post-Docs (up to 35 years of age; for mothers previously on maternity leaves the age limit is 37). They are awarded for research visits of several months duration to leading research centres throughout Poland. In 2003, 19 fellowships of 3,000 zlotys per month were awarded in this category. In addition, a decision was taken to extend for a further month the fellowship granted in 2002 to Dr Wojciech Franus of Lublin University of Technology, who had applied for such an extension (an option available from this year onwards).

FOREIGN FELLOWSHIPS FOR YOUNG PH.D RECIPIENTS

Grants under this scheme are available to young Polish scholars with a PhD degree (up to 35 years of age; for mothers previously on maternity leaves the age limit is 37) for six to twelve month visits to leading research centres world-wide. The amounts allocated to beneficiaries are equivalent to postdoctoral grants available therein.

In 2003, 16 fellowships were awarded in this category, to the following beneficiaries:

- Dr Irena Fryc of the Białystok University of Technology, Electrical Faculty, for a twelve-month research visit to the Optical Technology Division, National Institute of Standards and Technology (NIST), Maryland, USA;
- Dr Przemysław Juszczyński of the Łódź Medical School, Haematology Section, for a twelve-month research visit to Dana-Farber/Harvard Cancer Center, Boston, USA;
- Dr Paweł Kawalec of the Catholic University of Lublin, Faculty of Philosophy, for an eight-month research visit to the Center for Philosophy of Science (CPS), University of Pittsburgh, USA;
- Dr Katarzyna Kijania-Placek of the Jagiellonian University, Institute of Philosophy, for a twelve-month research visit to the Department of Philosophy, University of Pittsburgh, USA;
- Dr Mariusz Malinowski of the Warsaw University of Technology, Electrical Faculty, for a twelve-month research visit to the Institut für Energie und Automatisierungstechnik, Technische Universität Berlin, Germany;
- Dr Adam Opalski of Warsaw University, Faculty of Law and Administration, for a six-month research visit to the Max-Planck-Institut für Ausländisches und Internationales Privatrecht, Hamburg, Germany;
- Dr Wojciech Piasecki of the Cracow PAS Institute of Surface Catalysis and Physical Chemistry (Lublin Laboratories), for a twelve-month research visit to the Department of Earth and Planetary Sciences, Johns Hopkins University, Baltimore, USA;
- Dr Bartosz Powalka of the Szczecin University of Technology, Faculty of Mechanics, for a twelve-month research visit to the College of Engineering, University of Michigan, USA;
- Dr Konrad Rejdak of the Lublin Medical Academy, Neurology Hospital and Section, for a twelve-month research visit to the Institute of Neurology, University College, London, UK;
- Dr Michał Rurek of Adam Mickiewicz University, Institute of Molecular Biology and Biotechnology, for a twelve-month research visit to the Institut de Biologie Moléculaire des Plantes du CNRS, Strasbourg, France;
- Dr Małgorzata Siger-Zajdel of the Łódź Medical School, Neurology Hospital and Section, for a twelve-

month research visit to the Magnetic Resonance Unit, Veterans Affairs Medical Center in San Francisco, USA;

- Dr **Wojciech Sowa** of the Jagiellonian University, Faculty of Language Studies, for a twelve-month research visit to the Abteilung für Indogermanistik des Instituts für Sprachwissenschaft, Universität Wien, Austria;
- Dr **Bartłomiej Szafran** of the Academy of Mining and Metallurgy, Faculty of Nuclear Physics and Technology, for a twelve-month research visit to the Department Natuurkunde, Universiteit Antwerpen, Belgium;
- Dr **Piotr Tryjanowski** of Adam Mickiewicz University, Faculty of Bird Biology and Ecology, for a six-month research visit to the Centre for Ecology & Hydrology (CEH), Cambridgeshire, UK;
- Dr **Justyna Wiśniewska** of Nicolaus Copernicus University, Institute of General and Molecular Biology, for a twelve-month research visit to the Centre for Plant Molecular Biology, University of Tübingen, Germany; and
- Dr **Robert Wiśniewski** of Warsaw University, Institute of History, for an eight-month research visit to the Centre d'Histoire et Civilisation de Byzance (CNRS-College de France), Paris, France.

SUBSIDIARY GRANTS

From 2001, upon their return to Poland the beneficiaries of the Foreign Fellowship scheme can apply for subsidiary grants of up to 40,000 zlotys. In 2003, grants in this category were awarded to eight applicants.

GRANTS FOR LIBRARY AND/OR ARCHIVE SEARCH ABROAD

Under this scheme, grants are made available to Polish scholars for library and/or archive search abroad, up to several months in duration, related to their innovative research projects. In 2003, these grants were awarded on the second occasion to 29 beneficiaries.

ALEXANDER VON HUMBOLDT POLISH HONORARY RESEARCH FELLOWSHIPS

Fellowships for research in Poland available under this scheme are awarded to distinguished German scholars nominated by Polish research centres or by individual scientists. They are the equivalents of the Humboldt-Forschungspreise, granted by the Alexander von Humboldt Foundation in Germany to eminent scholars from all over the world including Poland. The grant can be spread over three years.

In 2003, these fellowships, of 10,000 zlotys each, were awarded to:

- Professor **Ulrike Jekutsch**, Ernst-Moritz-Arndt-Universität, Greifswald, for twelve-months research at the University of Szczecin Institute of Polish Studies;
- Professor **Herbert Mayr**, Ludwig-Maximilians-Universität, Munich, for five-months research at the PAS Institute of Organic Chemistry;
- Professor **Michael Müller-Wille**, Christian-Albrechts-Universität, Kiel, for four-months research at the Warsaw University Institute of Archaeology and the PAS Institute of Archaeology and Ethnology; and
- Professor **Burkhard Scharf**, UFZ-Umweltforschungszentrum Leipzig-Halle GmbH, Sektion Gewässerforschung, Magdeburg, for four-months research at the Natural Sciences Faculty of the University of Szczecin.

POLISH FELLOWSHIP AT UNIVERSITY COLLEGE LONDON

One grant available under this scheme is awarded for twelve-months postdoctoral research in the field of Polish studies at the School of Slavonic and East European Studies, University College London. The project is co-financed by the British Foreign Office, The M. Grabowski Foundation, and FNP.

The fellowship for the academic year commencing in 2003 was awarded to Dr **Piotr Jaworski** of the Warsaw School of Economics College of World Economy.

CONFERENCE GRANTS

These grants are available as a contribution towards the cost of Polish research workers (up to 40 years of age) in conferences, seminars and congresses abroad; the funds being provided in full by FNP, and the programme implemented by the Warsaw Scientific Society.

In 2003, a total of 186 grants were awarded on four occasions.

RESEARCH FELLOWSHIPS FOR SCIENTISTS FROM CEE COUNTRIES

This is a grant-giving programme targeted mainly but not exclusively at scientists from CEE countries and Asia, for research over several months in Polish host institutions in various areas of study. This scheme is funded in full by FNP and implemented in co-operation with the Józef Mianowski Fund, the latter being in charge of the competition procedure. In 2003, 58 fellowships were awarded, to be disbursed throughout the year 2004.

From 2003 onwards, the co-operation agreement with the Józef Mianowski Fund was extended and allocations made specifically (to a total of 50,000 zlotys) for beneficiaries from CEE countries wishing to conduct research at the Warsaw University Centre for the Study of Ancient Traditions (OBTA). The applications submitted in this category are subject to grant-giving procedures applied by the Józef Mianowski Fund. In 2003, 15 fellowships for research at OBTA were awarded.

The list of beneficiaries is provided below.

<i>Grantee</i>	Sofija Dyak	Igor Goncharuk, MA	Dr Olga Yemelianchik
<i>Country of Origin</i>	(Ukraine, Lviv)	(Belarus, Grodno)	(Belarus, Polock)
<i>Host Institution in Poland</i>	Warsaw University, Centre for the Study of Ancient Traditions	Adam Mickiewicz University, Institute of History	Adam Mickiewicz University, Institute of Anthropology
Ludmila Baibula, MA (Ukraine, Lviv)		Olga Groshkova, MD (Latvia, Riga)	Dr Volodymyr Kapustyanyk (Ukraine, Lviv)
Warsaw University, Centre for the Study of Ancient Traditions	Professor Mikhail Dymkov (Belarus)	Jagiellonian University, Collegium Medicum	University of Wrocław, Institute of Experimental Physics
Dr Andrei Baranov (Lithuania, Vilnius)	University of Zielona Góra, Institute of Control and IT Systems	Dr Nikolay Grinchik (Belarus, Minsk)	Associate Professor Arsen Karapetyan (Armenia, Erevan)
Warsaw University, Institute of Polish Literature	Dr Larisa Dzyubak (Ukraine, Kharkov)	PAS Institute of Fundamental Technological Research	Warsaw University of Technology, Institute of Micromechanics and Photonics
Dr Vikhren Buzov (Bulgaria, Velke Tyrnovo)	Department of Automatics and Biomechanics	Tetyana Grigoryeva (Ukraine)	
Jagiellonian University, Institute of Philosophy	Professor Aleksandr Gabovich (Ukraine, Kiev)	Warsaw University, Centre for the Study of Ancient Traditions	Peter Kassak, MSc (Slovakia, Bratislava)
Dr Sergei Chizhik (Belarus, Gomel)	Warsaw University, Faculty of Chemistry	Larysa Hontaruk, MA (Ukraine, Lviv)	University of Łódź, Department of General Biophysics
Warsaw University of Technology, Institute of Micromechanics and Photonics	Neringa Gailiute, MD (Lithuania, Vilnius)	Warsaw University, Centre for the Study of Ancient Traditions	
Dr Oksana Dmytrenko (Ukraine, Kiev)	Jagiellonian University, Collegium Medicum	Adas Jakubauskas, MA (Lithuania)	Olga Kopinevska, MA (Ukraine)
Technical University of Łódź, Department of Molecular Physics	Dr Roman Godunko (Ukraine, Lviv)	Adam Mickiewicz University, Institute of History	Warsaw University, Centre for the Study of Ancient Traditions
	University of the Warmia and Mazury Region, Faculty of Biology		Dr Margarita Korzo (Russia)
			Warsaw University, Institute of History

Professor Ulle Kotta (Estonia, Tallin) Technical University of Białystok, Institute of Mathematics and Physics	Switlana Maksymenko, MA (Ukraine, Lviv) Warsaw University, Centre for the Study of Ancient Traditions	Zera Nimetullaeva, MA (Ukraine, Simferopol) National Museum, Warsaw	Dr Vyacheslav Slyshenkov (Belarus, Grodno) PAS Institute of Experimental Biology
Bogdana Kozachenko, MA (Ukraine, Lviv) Warsaw University, Centre for the Study of Ancient Traditions	Volodymyr Mishchuk, MD (Ukraine, Lviv) Jagiellonian University, Collegium Medicum Institute of Paediatrics	Hanna Paulouskaya, MA (Belarus, Grodno) Warsaw University, Centre for the Study of Ancient Traditions	Dr Yuri Sobotka (Ukraine, Lviv) Academy of Mining and Metallurgy, Institute of Geophysics
Dr Ivan Kozlovski (Ukraine, Lviv) Warsaw University, Institute of History	Magdalena Mitreva, MA (Bulgaria, Sofia) Warsaw University, Polish Language Institute	Associate Professor Yaroslav Pidkhirnyj (Ukraine, Lviv) Jagiellonian University, Collegium Medicum	Associate Professor Vitali Telvak (Ukraine, Drobych) Warsaw University, Centre for the Study of Ancient Traditions
Associate Professor Andrei Kozytskij (Ukraine, Lviv) Warsaw University, Centre for the Study of Ancient Traditions	Irina Moroz, MA (Russia, Moscow) Warsaw University, Institute of History	Helena Pluta (Belarus) Jagiellonian University, Institute of Philosophy	Igor Teslenko, MA (Ukraine, Kiev) Warsaw University, Centre for the Study of Ancient Traditions
DSc Yuriy Krivoguz (Belarus, Gomel) Technical University of Poznań, Materials Technology Institute	Dr Mikhail Moroz (Belarus, Minsk) University of the Warmia and Mazury Region, Department of Ecology and Environmental Protection	Sergei Protsenko, MSc (Ukraine, Sumy) H. Niewodniczański Institute of Nuclear Physics	Nadya Tymeychuk, MA (Ukraine, Lviv) Warsaw University, Centre for the Study of Ancient Traditions
Yuriy Kvach, MSc (Ukraine, Odessa) University of Gdańsk, Institute of Oceanography	Professor Svetlana Morozova (Belarus, Grodno) National Library, Warsaw	Dmitri Rybakov, MA (Ukraine) Warsaw University, Centre for the Study of Ancient Traditions	Dr Dmitri Vyatchenin (Belarus, Minsk) PAS Institute of Systems Research
Dr Marya Lebedynets (Ukraine, Lviv) Adam Mickiewicz University, Faculty of Chemistry	Eng. Ludmila Movchan (Ukraine, Tarnopol) University of the Warmia and Mazury Region, Institute of Dairy Industry Development	Irina Sadkovskaya, MSc (Russia, St Petersburg) Institute of Industrial Electronics	Natalya Vidra, MSc (Belarus, Grodno) Maria Curie-Skłodowska Institute – Oncology Centre
Dr Igor Lylo (Ukraine, Lviv) Jagiellonian University, Institute of History	Dr Anna Nemoikina (Russia, Tomsk) University of Szczecin, Faculty of Natural Sciences	Sergiy Seryakov, MA (Ukraine, Kharkov) Warsaw University, Centre for the Study of Ancient Traditions	Iveta Vachulikova, MD (Slovakia, Bratislava) Medical Academy of Łódź, Faculty of Laboratory Diagnostics
Associate Professor Taras Luchuk (Ukraine, Lviv) Warsaw University, Centre for the Study of Ancient Traditions	Dr Zhanna Nekrashevych- Karotkaya (Belarus, Minsk) Maria Curie-Skłodowska University, Institute of History	Sergiy Siromakha, MD (Ukraine, Kiev) Mother Pole Health Centre Medical Institute, Cardiosurgery Section	Roman Zubkov, MEng (Ukraine, Doneck) Academy of Mining and Metallurgy, Hydrology and Water Resource Protection Section

Other Long-term Programmes

MILAB PROGRAMME

This multi-annual programme seeks to support the upgrading of laboratory facilities in Poland, through contributions towards the cost of repair work, removals and the purchasing of appliances and equipment for modernised premises. In 2003, over 5.7mil zlotys were disbursed on two occasions to 32 successful applicants.

TECHNE PROGRAMME

This initiative, a continuation of the INCOME and TECHNO Programmes implemented by FNP in previous years, is aimed at supporting research in the practical applications of new technologies and products.

In 2003, a total of 770,000 zlotys was awarded for the implementation of four projects.

SUBIN PROGRAMME

This is an emergency-aid programme, seeking to provide funds to individual researchers and research establishments whenever rapid assistance is required, in crisis situations or in unusual circumstances when funding cannot be obtained for other sources, threatening discontinuation of important projects.

In 2003, 43 grants were awarded under this scheme, to a total of approximately 1.5mil zlotys. The majority of these grants were used to cover the cost of spare parts and the repair of equipment and appliances.

MONOGRAPHS PROGRAMME

This is a regular competition for Polish authors of previously unpublished monographs in the areas of the humanities and the social sciences. The works selected by the Editorial Board are published in the *FNP Monographs series*, which consists of over 85 titles to date. In 2003, eight monographs were published (including one re-issue); twelve more are forthcoming.

PUBLICATIONS PROGRAMME

Due to FNP assistance under this programme, various multi-volume works edited by research institutes documenting Poland's historical, cultural and technological heritage are published. The Foundation continues to cover the publication costs of *Polski Słownik Biograficzny* (The Polish Biographical Dictionary); *Słownik polszczyzny XVI wieku* (A Dictionary of 16th Century Polish); *Katalog Zabytków Sztuki w Polsce* (A Catalogue of Ancient Artworks in Poland); and *Materiały do dziejów sztuki sakralnej na ziemiach wschodnich dawnej Rzeczypospolitej* (Sources for the History of Religious Art in the Eastern Territories of the Former Republic of Poland).

FNP CONFERENCES

- **FNP Debates on Science**

First held seven years ago, these conferences organised by FNP are held annually, bringing together several dozen distinguished scholars, who meet to discuss various issues of great significance to the scientific community in Poland. The subject chosen for 2003 was *The Medialisation of Science*. The topics included the dissemination of science information through the media, the factors decreasing its availability to audiences, the technological capacity and organisational potential of the media, and the acceptable limits to the simplification of the problems presented.

Conference materials will be published in a brochure with the same title.

- **ARCHEO and TRAKT Programmes: A Summary**

In November 2003, a seminar *FNP for Archaeology* was held at the Maria Skłodowska-Curie University in Lublin, seeking to summarise both programmes implemented by the Foundation during the years 1998-2000. It was attended by about 60 participants from all over Poland, both archaeologists and spe-

cialists in other fields of study collaborating with them. It was stressed repeatedly throughout the event that enhanced interdisciplinary co-operation between archaeologists and representatives of the natural sciences brought about extremely interesting results. These included a significant increase in the understanding of the correlation between changes in the natural environment and the mobility and level of activity in populations in various areas of Poland.

COLLABORATION WITH SCIENTIFIC ASSOCIATIONS

For several years now, the Foundation has been a supporting member of a number of leading scientific associations of a corporate nature in Poland: The Warsaw Scientific Society, The Toruń Scientific Society, The Society of the Friends of Science in Poznań, The Society for the Promotion and Support of Science, and The Polish Institute of Arts and Sciences of America (PIASA). The membership fee due from FNP for each of these organisations was 5,000 zlotys.

As part of this co-operation, FNP provides funds for the annual Grzegorz Białkowski Award for the best doctoral dissertation in the field of the exact sciences, granted by the Society for the Promotion and Support of Science. In 2003, this award (of 14,000 zlotys) was given to Dr **Agnieszka Trzecińska** of the Warsaw University Laboratory of Heavy Ions, for her dissertation *Information on Nuclear Surfaces Obtained through the Analysis of X Radiation of Antiproton Atoms*, written under the supervision of Professor Jerzy Jastrzębski.

THE EUROPEAN INTEGRATION EXPLORATORIUM PROGRAMME

This project was launched by FNP in 2001, intended as a means of maintaining the Foundation's involvement in EU-related issues following the conclusion of the various Phare programmes carried out between 1993 and 2000. Funded by FNP, this programme is implemented in co-operation with the Polish Academy of Sciences.

Its objectives and aims include the preservation and promotion of the outcome of the Phare SCI-TECH and SCI-TECH II programmes, as well as the continuation of activities facilitating European collaboration in science subsequent to Poland's accession to the European Union. This concerns, in particular, supporting Poland's participation in the European Research Area, and implementation of the Lisbon Strategy.

Exploratorium has the status of a separate research institution with its composition being reduced to a minimum. While carrying out its tasks it uses the services of external experts. In 2003, it took part in a number of domestic and international initiatives concerned with the development of EU-enlargement policy and the role of the science and technology sectors in this process. As a partner of the relevant consortium, it participated in two research projects of the 5th EU Framework Programme for Research, Technological Development and Presentation, *REGIONET – Thematic Network: Strategies for Regional Sustainable Development, An Integrated Approach beyond Best Practices*, and *SEMMERING – Shaping the European Research Area: Science Policies for an Enlarged Europe*. Another initiative under the Exploratorium Programme was the First Natolin-Firenze SCI-TECH Forum organised in collaboration with the European University Institute and the Natolin European Centre, devoted to scientific co-operation within the European Union. This event was attended by leading European specialists in the field of science policy and regional development, associated with various universities throughout the continent.

In addition, Exploratorium participated in the activities of various government institutions and agencies in Poland concerned with access to and the management of EU structural funds.

At the end of this report we enclose the obituary of Ryszard Wiczorek, the Foundation's associate for many years and the co-ordinator of the Scholarships programme, who died in December 2003.

NOTE

Listed on p. 38 are those who had kindly agreed to co-operate with FNP in the peer-review procedures throughout the year 2003. Their assessments, opinions and comments were extremely useful to FNP authorities in making their decisions and in the selection of the beneficiaries of individual programmes.

The Financial Statement

NOTE

In order to provide a more comprehensive view of transactions on derivative instruments, the following modifications have been introduced to the mode of presentation of comparative data in the Balance Sheet, the Profit and Loss Account, and the Cash Flow for the year 2003:

- liabilities pertaining to derivative instruments have been included into the Other Liabilities category;
- income and costs related to derivative instruments have been included into the Other Financial Income / Costs category;
- results of the revaluation of financial assets, revaluation allocations and interest received (for financial assets valued according to their true value) have been shown under Revaluation of Investment, and not Interest Received, or Profit on Sale/Liquidation of Investment.

Similar changes have been introduced in the presentation of comparative data for the year 2002.

With the exception of the above, the financial statement for this financial year was prepared, in its form and content, in keeping with the same accounting procedures and standards that were applied in the preceding year.

BALANCE SHEET AS AT 31 DECEMBER 2003

ASSETS

(in PLN)	31 December 2003	31 December 2002 comparable data
A. Fixed assets	34,022,594.12	62,771,902.12
I. Intangible assets	-	8,127.61
1. Development work	-	-
2. Goodwill	-	-
3. Other intangible assets	-	8,127.61
4. Prepayments for intangible assets	-	-
II. Tangible fixed assets	2,022,594.12	2,121,987.51
1. Fixed assets	2,022,594.12	2,121,987.51
a) Land (incl. perpetual usufructs)	-	-
b) Buildings and structures (incl. civil engineering structures)	1,628,406.46	1,759,993.11
c) Plant and machinery	207,191.99	217,213.33
d) Motor vehicles	113,185.98	56,638.05
e) Other tangible fixed assets	73,809.69	88,143.02
2. Construction in progress	-	-
3. Prepayments for construction in progress	-	-
III. Long-term receivables	-	-
IV. Long-term investments	32,000,000.00	60,641,787.00
1. Real estate	-	-
2. Intangible assets	-	-
3. Long-term financial assets	32,000,000.00	60,641,787.00
a) In affiliates	-	441,787.00
- shares	-	441,787.00
b) In other entities	32,000,000.00	60,200,000.00
- shares	32,000,000.00	60,200,000.00
4. Other long-term investments	-	-
V. Long-term prepayments and deferred costs	-	-
1. Deferred tax assets	-	-
2. Other prepayments and deferred costs	-	-
B. Current assets	855,025,965.19	329,302,994.26
I. Inventory	5,478.00	-
1. Raw materials	5,478.00	-
II. Short-term receivables	255,328.40	51,818,258.28
1. Receivables from affiliates	-	-
a) Trade receivables, due:	-	-
- in under 12 months	-	-
- in over 12 months	-	-
b) Other	-	-
2. Receivables from other entities	255,328.40	51,818,258.28
a) Trade receivables, due:	13,430.00	3,181.27
- in under 12 months	13,430.00	3,181.27
- in over 12 months	-	-
b) Taxation, subsidy, customs duty, social security debtors	-	14,527,123.62
c) Other	241,898.40	37,287,953.39
d) Submitted to court	-	-
III. Short-term investments	854,740,569.22	277,452,660.93
1. Short-term financial assets	854,740,569.22	277,452,660.93
a) In affiliates	441,787.00	-
- shares	441,787.00	-
b) In other entities	835,568,352.94	260,348,068.57
- shares	25,515,186.50	10,061,606.30
- other securities	810,053,166.44	250,286,462.27
- loans granted	-	-
- other short-term financial assets	-	-
c) Cash and cash equivalents	18,730,429.28	17,104,592.36
- cash on hand and cash at bank	474,276.28	1,003,428.06
- other cash	18,256,153.00	16,101,164.30
- other monetary assets	-	-
2. Other short-term investments	-	-
IV. Short-term prepayments and deferred costs	24,589.57	32,075.05
Total assets	889,048,559.31	392,074,896.38

LIABILITIES AND EQUITY

(in PLN)	31 December 2003	31 December 2002 comparable data
A. Equity	357,409,379.02	390,840,049.52
I. Capital Fund	95,000,000.00	95,000,000.00
I. Statutory Fund	268,225,205.19	153,833,757.79
III. Revaluation Fund	1,412.56	1,412.56
IV. Reserve Fund	27,613,431.77	27,613,431.77
V. Accumulated (losses) from previous years	-	(41,390,434.71)
VI. Net profit/ (loss) for the year	(33,430,670.50)	155,781,882.11
VII. Deductions from net profit for the year	-	-
B. Liabilities and provisions for liabilities	531,639,180.29	1,234,846.86
I. Provisions for liabilities	250,040.07	145,741.00
1. Deferred tax liability	-	-
2. Provision for retirement benefits and similar obligations	250,040.07	145,741.00
- long-term	214,601.73	145,741.00
- short-term	35,438.34	-
3. Other provisions	-	-
- long-term	-	-
- short-term	-	-
II. Long-term liabilities	-	-
1. To affiliates	-	-
2. To other entities	-	-
a) Loans	-	-
b) Debt securities	-	-
c) Other financial liabilities	-	-
d) Other	-	-
III. Short-term liabilities	531,076,683.42	884,259.26
1. To affiliates	-	-
a) Trade liabilities, payable	-	-
- in under 12 months	-	-
- in over 12 months	-	-
b) Other	-	-
2. To other entities	531,072,357.14	878,562.64
a) Loans	-	-
b) Debt securities	-	-
c) Other financial liabilities	529,285,782.89	95,320.97
d) Trade liabilities, payable:	20,301.62	98,266.27
- in under 12 months	20,301.62	98,266.27
- in over 12 months	-	-
e) Advances received	-	-
f) Bills of exchange payable	-	-
g) Taxation, customs duty and social security creditors	86,310.05	72,711.50
h) Payroll	-	-
i) Other	1,679,962.58	707,584.87
3. Special Funds	4,326.28	5,696.62
IV. Accruals and deferred income	312,456.80	204,846.60
1. Negative goodwill	-	-
2. Other accruals and deferred income	312,456.80	204,846.60
- long-term	-	-
- short-term	312,456.80	204,846.60
Total liabilities and equity	889,048,559.31	392,074,896.38

PROFIT AND LOSS ACCOUNT (COMPARATIVE FORMAT) FOR THE YEAR ENDED AS AT 31 DECEMBER 2003

(in PLN)	Year ended 31 December 2003	Year ended 31 December 2002 comparable data
A. Revenue from statutory activities	27,936.12	37,157,249.63
I. Gross contributions as per Fund's Statute	-	-
II. Other contributions	27,936.12	37,157,249.63
B. Costs of statutory activities	19,389,897.31	20,611,645.49
C. Profit/ (loss) on statutory activities (A-B)	(19,361,961.19)	16,545,604.14
D. Administrative expenses	6,703,109.34	6,291,112.85
I. Depreciation	280,959.08	281,552.40
II. Materials and energy	113,846.13	129,992.91
III. External services	3,513,565.69	3,001,493.52
IV. Taxes and charges, of which:	6,909.80	6,948.88
- excise tax	-	-
V. Payroll	2,253,439.22	2,328,460.71
VI. Social security and other allowances	442,417.74	447,633.21
VII. Other expenses	91,971.68	95,031.22
E. Profit/ (loss) on statutory and administrative activities (C-D)	(26,065,070.53)	10,254,491.29
F. Other operating revenue	6,623.24	396,082.94
I. Profit from the sale of non-financial fixed assets	-	22,000.00
II. Subsidies	-	-
III. Other operating revenue	6,623.24	374,082.94
G. Other operating expenses	172,977.14	152,757.03
I. Loss on the sale of non-financial fixed assets	-	-
II. Revaluation of non-financial fixed assets	-	-
III. Other operating expenses	172,977.14	152,757.03
H. Operating profit/ (loss) (E+F-G)	(26,231,424.43)	10,497,817.20
I. Financial revenue	6,566,668.46	126,745,538.65
I. Dividends and shares in profits, of which:	189,027.28	856,748.00
- from affiliates	-	-
II. Interest, of which:	3,312,155.18	114,501,200.61
- from affiliates	-	-
III. Profit on the sale of investments	-	2,799,900.00
IV. Revaluation of investments	-	-
V. Other	3,065,486.00	8,587,690.04
J. Financial expenses	13,856,538.53	15,122,135.74
I. Interest, of which:	98,686.35	221.92
- to affiliates	-	-
II. Loss on the sale of investments	-	-
III. Revaluation of investments	13,757,852.18	14,453,971.64
IV. Other	-	667,942.18
K. Gross profit/ (loss) on overall activities (H+I-J)	(33,521,294.50)	122,121,220.11
L. Result from extraordinary items (L.I.-L.II.)	-	-
I. Extraordinary gains	-	-
II. Extraordinary losses	-	-
M. Gross profit/ (loss) (K±L)	(33,521,294.50)	122,121,220.11
N. Corporate tax	(90,624.00)	(33,660,662.00)
O. Other obligatory charges	-	-
P. Net profit/ (loss) (M-N-O)	(33,430,670.50)	155,781,882.11

STATEMENT OF CHANGES IN OWN FUNDS

(in PLN)	Year ended 31 December 2003	Year ended 31 December 2002 comparable data
I. Equity at the beginning of the period	390,840,049.52	196,791,426.14
- changes to accounting policies	-	38,266,741.27
- adjustments of fundamental errors	-	-
I a. Equity at the beginning of the period, after adjustments	390,840,049.52	235,058,167.41
1. Capital Fund at the beginning of the period	95,000,000.00	95,000,000.00
1.1. Changes in Capital Fund	-	-
a) Increases (due to)	-	-
b) Decreases (due to)	-	-
1.2. Capital Fund at the end of the period	95,000,000.00	95,000,000.00
2. Statutory Fund at the beginning of the period	153,833,757.79	153,833,757.79
2.1. Changes in Statutory Fund	114,391,447.40	-
a) Increases (due to)	114,391,447.40	-
- Profit appropriation	114,391,447.40	-
b) Decreases (due to)	-	-
- Loss absorption	-	-
2.2. Statutory Fund at the end of the period	268,225,205.19	153,833,757.79
3. Revaluation Fund at the beginning of the period	1,412.56	2,264.56
3.1. Changes in Revaluation Fund	-	(852.00)
a) Increases (due to)	-	-
b) Decreases (due to)	-	852.00
- Sale of fixed assets	-	852.00
3.2. Revaluation Fund at the end of the period	1,412.56	1,412.56
4. Other Reserve Fund at the beginning of the period	27,613,431.77	27,612,579.77
4.1. Changes in Other Reserve Fund at the beginning of the period	-	852.00
a) Increases (due to)	-	852.00
- Sale of fixed assets	-	852.00
b) Decreases (due to)	-	-
4.2. Other Reserve Fund at the end of the period	27,613,431.77	27,613,431.77
5. Accumulated (loss) at the beginning of the period	114,391,447.40	(74,761,628.63)
5.1. Accumulated profit at the beginning of the period	155,781,882.11	-
- adjustment of fundamental errors	-	-
5.2. Accumulated profit from previous years at the beginning of the period, after adjustments	155,781,882.11	-
a) Increases (due to)	-	-
- Appropriation of profit from previous years	-	-
b) Decreases (due to)	(155,781,882.11)	-
- Loss cover	(41,390,434.71)	-
- Appropriation of profit to statutory activities fund	(114,391,447.40)	-
5.3. Accumulated profit from previous years at the end of the period	-	-
5.4. Accumulated loss from previous years at the beginning of the period	(41,390,434.71)	(74,761,628.63)
- changes to accounting policies	-	38,266,741.27
- adjustment of fundamental errors	-	-
5.5. Accumulated loss from previous years at the beginning of the period, after adjustments	(41,390,434.71)	(36,494,887.36)
a) Increases (due to)	-	(4,895,547.35)
- Transfer of prior year losses	-	(4,895,547.35)
b) Decreases (due to)	(41,390,434.71)	-
- Loss cover	(41,390,434.71)	-
5.6. Accumulated loss from previous years at the end of the period	-	(41,390,434.71)
5.7. Accumulated (loss) from previous years at the end of the period	-	(41,390,434.71)
6. Net result	(33,430,670.50)	155,781,882.11
a) Net profit	-	155,781,882.11
b) Net (loss)	(33,430,670.50)	-
c) Deductions from profit	-	-
II. Equity at the end of the period	357,409,379.02	390,840,049.52
III. Equity after proposed appropriation of profit (absorption of loss)	357,409,379.02	390,840,049.52

CASH FLOW STATEMENT (INDIRECT METHOD)

(in PLN)	Year ended 31 December 2003	Year ended 31 December 2002 comparable data
A. Cash flow from operating activities	32,815,549.27	132,100,223.65
I. Net profit/ (loss)	(33,430,670.50)	155,781,882.11
II. Total adjustments	66,246,219.77	(23,681,658.46)
1. Depreciation	280,959.08	281,552.40
2. Foreign exchange gains/ (losses)	-	-
3. Interest and shares in profits (dividends)	(8,973,805.38)	(7,278,904.02)
4. Profit/ (loss) on investing activities	20,261,076.03	33,427,420.97
5. Change in provisions	104,299.07	145,741.00
6. Change in inventory	(5,478.00)	-
7. Change in receivables	51,562,929.88	(50,786,278.63)
8. Change in short-term liabilities, except for loans and credits	2,901,143.41	306,151.31
9. Change in deferred income and accruals	115,095.68	195,182.77
10. Other adjustments	-	27,475.74
III. Net cash flow from operating activities (I±II)	32,815,549.27	132,100,223.65
B. Cash flow from investing activities	(31,189,712.35)	(220,005,650.98)
I. Inflow	35,182,666,154.90	6,575,473,804.02
1. Sale of intangible assets and tangible fixed assets	-	22,000.00
2. Sale of investment in property and intangible assets	-	-
3. Relating to financial assets, of which:	35,182,666,154.90	6,575,451,804.02
a) In affiliates	-	2,799,900.00
b) In other entities	35,182,666,154.90	6,572,651,904.02
- sale of financial assets	35,167,601,702.72	6,565,373,000.00
- dividends and shares in profits	189,027.28	856,748.00
- repayment of long-term loans granted	-	-
- interest	8,882,117.43	-
- other inflow from financial assets	5,993,307.47	-
4. Other investing activities inflow	-	-
II. Outflow	(35,213,855,867.25)	(6,795,479,455.00)
1. Purchase of intangible assets and tangible fixed assets	(173,591.58)	(173,455.00)
2. Investment in property and intangible assets	-	-
3. Relating to financial assets of which:	(35,210,658,084.20)	(6,796,306,000.00)
a) In affiliates	-	-
b) In other entities	(35,210,658,084.20)	(6,796,306,000.00)
- purchase of financial assets	(35,210,658,084.20)	(6,796,306,000.00)
- long-term loans granted	-	-
4. Other investment expenditure	(3,024,191.47)	-
III. Net cash flow from investing activities (I-II)	(31,189,712.35)	(220,005,650.98)
C. Cash flow from financing activities	-	(48,950.91)
I. Inflow	-	-
1. Loans and credits	-	-
2. Other inflow	-	-
II. Outflow	-	(48,950.91)
1. Repayment of loans and credits	-	-
2. Relating to other financial liabilities	-	-
3. Interest	-	-
4. Other financial expenses	-	(48,950.91)
III. Net cash flow from financing activities (I-II)	-	(48,950.91)
D. Total net cash flow (A.III±B.III±C.III)	1,625,836.92	(87,954,378.24)
E. Change in cash and cash equivalents, of which	1,625,836.92	(87,954,378.24)
- change arising from the adjustment to the valuation of financial assets as at 1 January 2002	-	38,266,741.27
F. Cash and cash equivalents at the beginning of the period	17,104,592.36	105,058,970.60
G. Cash and cash equivalents at the end of the period (F±D), of which:	18,730,429.28	17,104,592.36
- of restricted use	4,326.28	5,696.62